			•	
Form 3160-3 (February 2005) UNITED STATES			FORM APPR OMB No. 100 Expires March	4-0137
DEPARTMENT OF THE	5. Lease Serial No. U-43916			
BUREAU OF LAND MAN	IAGEMENT			
APPLICATION FOR PERMIT TO	DRILL OR REENTER		6. If Indian, Allotee or T	nde Name
la. Type of work:	ER		7 If Unit or CA Agreemer	nt, Name and No.
lb. Type of Well: ☐Oil Well ☐Gas Well ☐Other	✓ Single Zone M	ıltiple Zone	8. Lease Name and Well CHAPITA GROV	
2. Name of Operator EOG RESOURCES, INC			9. API Well No. 43-04	7-38691
3a. Address 1060 EAST HIGHWAY 40	3b. Phone No. (include area code)		10. Field and Pool, or Explo	•
VERNAL, UT 84078	435-781-9111 NATURAL BUTTES			ES
4. Location of Well (Report location clearly and in accordance with an	y State requirements.*)		11. Sec., T. R. M. or Blk.an	d Survey or Area
At surface 706 FSL 636 FWL SW/SW 40.0742 At proposed prod. zone SAME 633647 X 44369647	40 074208	132686	SECTION 34, T8S	, R22E S.L.B.&N
14. Distance in miles and direction from nearest town or post office*		226.4	12. County or Parish	13. State
36.1 MILES SOUTH OF VERNAL UTAH			UINTAH	UT
15. Distance from proposed* location to nearest property or lease line, ft.	16. No. of acres in lease		g Unit dedicated to this well	
(Also to nearest drig. unit line, if any) 614 DRILLING LINE	1360	40		
18. Distance from proposed location* to nearest well, drilling, completed, 19. Proposed Depth 20. BLM/BIA Bond No. on file				
applied for, on this lease, ft.	5385	NM 2	308	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4877 GL	22. Approximate date work will	start*	23. Estimated duration 45 DAYS	
	24. Attachments			
The following, completed in accordance with the requirements of Onshor		a attached to the	ia 6	
The following, completed in accordance with the requirements of Onshor	to On and Gas Order No.1, must b	e amached io th	is ioini.	

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- Such other site specific information and/or plans as may be required by the

23. Signature	Name (Frinted Typed)	Date
touter touter	KAYLENE R. GARDNER	10/03/2006
R. REQUEATORY ASSISTANT		
SR. REGULATORY ASSISTANT		
Approved by Signapure	Name (Printed Typed)	Date
Nowall	BRADLEY G. HILL	10-12-06
Time X	OfficeNVIRONMENTAL MANAGER	
\mathcal{H}		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

RECEIVED OCT 0 5 2006

DIV. OF OIL, GAS & MINING

Federal Approval of this Action is Necessary

EOG RESOURCES, INC. T8S, R22E, S.L.B.&M. Well location, CHAPITA GROVE #5-34GR, located 587'20'32"E - 2796.23' (Meos.) as shown in the SW 1/4 SW 1/4 of Section 34, S89'35'32"E - 2611.48' (Meas.) 1967 Brass Cap TBS, R22E, S.L.B.&M., Uintah County, Utah. 0.7 High, N-S 1967 Bross Cap 1967 Bross Cop Q8' High, Steel BASIS OF ELEVATION Q3 High BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE. QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET. BASIS OF BEARINGS BASIS OF BEARINGS IS A G.P.S. OBSERVATION. 1967 Bress Cop 0.4" High, N-S Fenceline Bross Cap 2701.39 SCALE CERTIFICATI CHAPITA GROVE #5-34GR THIS IS TO CERTIFY THAT THE ABO FIELD NOTES OF ACTUAL SURVEYS 636 Elev. Graded Ground = 4877' SUPERVISION AND THAT THE SAL BEST OF MY KNOWLEDGE AND 1967 Bross Cap 0.4' High, Set Marked Stone. Steel Post **T8S** N89'33'01"W - 2631.89" (Meas.) N89'48'36"W - 2644.76' (Meas.) 1967 Brass Cap **T9S** 1.0' High, H-S Fancaine Untah Engineering & Land Surveying 85 SOUTH 200 EAST VERNAL, UTAH 84078 LEGEND: (NAD 83) (435) 789-1017 LATITUDE = 40'04'27.14" (40.074206) SCALE = 90° SYMBOL DATE SURVEYED: LONGITUDE = 109'26'00.07" (109.433353) DATE DRAWN: 1" = 1000" 08-31-06 09-05-06 (NAD 27) = PROPOSED WELL HEAD. PARTY REFERENCES LATITUDE = 40°04°27.27° (40.074242) G.S. = SECTION CORNERS LOCATED. S.L. G.L.O. PLAT LONGITUDE = 109'25'57.61" (109.432669) WEATHER FILE COFD EOG RESOURCES, INC.

<u>CHAPITA GROVE 5-34GR</u> SW/SW, SEC. 34, T8S, R22E, S.L.B.&M. UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH (KB)
Uinta FM	16'
Green River FM	2,297'
Mahogany Oil Shale Bed	2,875'
Garden Gulch MBR	2,944'
Middle Carb Bed	3,708'
Douglas Creek MBR	4,165'
Castle Peak MBR	4,786'
Uteland Butte MBR	5,074'
Wasatch	5,282'

EST. TD: 5,385' or 200' \pm below Wasatch Top

Anticipated BHP: 2,660 Psig

- 1. Fresh Waters may exist in the upper, approximately 1,000 ft \pm of the Green River Formation, with top at about 2,000 ft \pm .
- 2. Cement isolation is installed to surface of the well isolating all zones by cement.
- 3. PRESSURE CONTROL EQUIPMENT: Production Hole 3,000 Psig BOP Schematic Diagram attached.

4. **CASING PROGRAM:**

								ING FACTOR	
	HOLE SIZE	<u>INTERVAL</u>	<u>SIZE</u>	WEIGHT	GRADE	THREAD	COLLAPS	E /BURST/ TE/	NSILE
Surface	12-1/4"	$0' - 500'KB \pm$	9-5/8"	36.0#	J-55	STC	2020 Psi	3520 Psi 394	,000#
Production	n: 7-7/8"	$500' \pm - TD$	4-1/2"	11.6#	J-55	LTC	4960 Psi	5350 Psi 162	,000#
Al	l casing wil	l be new or in	isnected	1 .	-				

5. Float Equipment:

Surface Hole Procedure (0 - 500' ± Below GL):

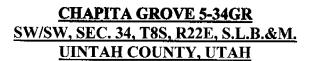
Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1 - 5-10' above shoe, every collar for next 3 joints (4 total).

Production Hole Procedure (500' ± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. $4-\frac{1}{2}$ ", 11.6#, J-55 or equivalent marker collars or short casing joints to be placed 400' above top of Garden Gulch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Garden Gulch top. (15± total). Thread lock float shoe, top and bottom of float collar, and top of 2^{nd} joint.



6. MUD PROGRAM:

Surface Hole Procedure $(0 - 500' \pm below GL)$:

Air/air mist or aerated water

Production Hole Procedure (500' \pm - TD):

Anticipated mud weight 9.0 - 9.5 ppg depending on actual wellbore condition encountered while drilling.

A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. <u>VARIANCE REQUESTS:</u>

Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

8. **EVALUATION PROGRAM:**

Logs:

Mud log from base of surface casing to TD.

Open-hole Logs:

BHC (Schlumberger Borehole Compensated Sonic)

Schlumberger Platform Express consisting: of Open-hole gamma ray, resistively, bulk

density, and neutron porosity

<u>CHAPITA GROVE 5-34GR</u> SW/SW, SEC. 34, T8S, R22E, S.L.B.&M. <u>UINTAH COUNTY, UTAH</u>

9. <u>CEMENT PROGRAM:</u>

Surface Hole Procedure $(0-500' \pm Below GL)$

Lead:

Class 'G' cement with 2% S1 (CaCl2) & 0.25 pps

D29 (cellophane flakes), mixed at 15.8 ppg, 1.16 ft³./sk., 4.95 gps water.

Top Out:

Top out with Class 'G' cement with 2% S1 (CaCl2) in mix water, 15.8 ppg, 1.16

ft³./sk., 4.95 gps via 1" tubing set at 25' if needed.

Install 6' x 4' cellar ring, drill rat and mouse holes with spud rig.

Note:

Cement volumes will be calculated to bring cement to surface.

<u>Production Hole Procedure (500' ± to TD)</u>

Lead:

400 sks: 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65

(Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft³/sk., 9.19

gps water.

Tail:

510 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13

(Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at

14.1 ppg, 1.28 ft³/sk., 5.9gps water.

Note:

The above number of sacks is based on gauge-hole calculation.

Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.

Tail volume to be calculated to bring cement to 400'± above top of Garden Gulch MBR.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

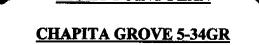
10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 500'±):

Lost circulation

Production Hole (500'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Garden Gulch Formation.



<u>CHAPITA GROVE 5-34GR</u> <u>SW/SW, SEC. 34, T8S, R22E, S.L.B.&M.</u> <u>UINTAH COUNTY, UTAH</u>

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

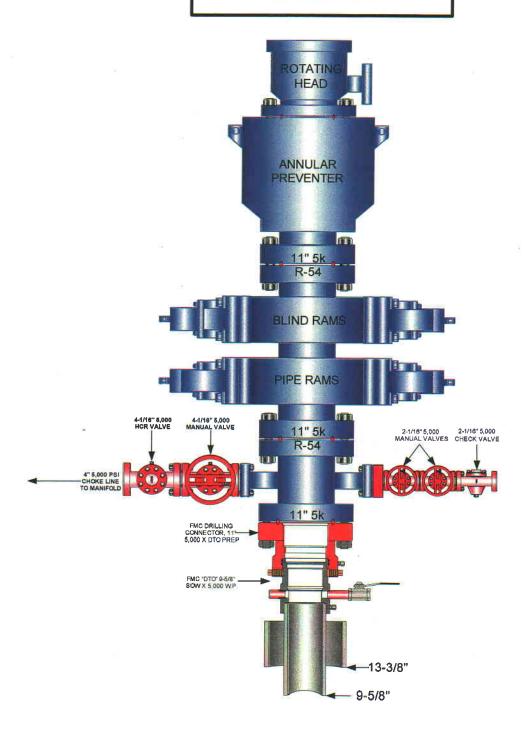
12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

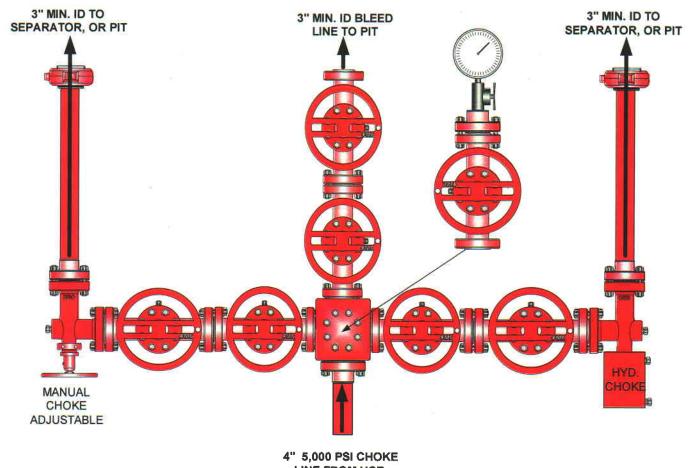
EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION

PAGE 1 OF 2



EOG RESOURCES CHOKE MANIFOLD CONFIGURATION W/ 5.000 PSI WP VALVES

PAGE 2 0F



4" 5,000 PSI CHOKE LINE FROM HCR VALVE

Testing Procedure:

- 1. BOP will be tested with a professional tester to conform to Onshore Order #2.
- 2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
- 3. Annular Preventer will be tested to 50% working pressure, 2,500 psi. Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
- 4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
- 5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.



CHAPITA GROVE 5-34GR SWSW, Section 34, T8S, R22E Uintah County, Utah

SURFACE USE PLAN

NOTIFICATION REQUIREMENTS

Location Construction: Forty-eight (48) hours prior to construction of location and access

roads.

Location Completion: Prior to moving on the drilling rig.

Spud Notice: At least twenty-four (24) hours prior to spudding the well.

Casing String and Twenty-four (24) hours prior to running casing and cementing

Cementing: all casing strings.

BOP and related Twenty-four (24) hours prior to running casing and tests. Equipment Tests:

First Production Notice: Within five (5) business days after new well begins or production

resumes after well has been off production for more than ninety (90)

days.

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. The well access road is approximately 50 feet long with a 30-foot right-of-way, disturbing approximately 0.03 acre. New surface disturbance associated with access road and the well pad is estimated to be approximately 1.87 acres.

No off lease right-of-way will be required

1. EXISTING ROADS:

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 36.1 miles south of Vernal, Utah See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

- A. The access road will be approximately 50' in length.
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade of the new access road will be 8 percent.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.
- No permanent road right-of-way on Federal acreage is required.

All travel will be confined to existing access road right-of-way.

New or reconstructed roads will be centerlined - flagged at time of location staking.

The road shall be constructed/upgraded to meet the standards to the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading the road shall be cleared of any snow cover and allowed to dry

completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation or debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around then avoided

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

See attached TOPO map "C" for the location of wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

- Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400 BBL vertical tanks and attaching piping.
- 2. Gas gathering lines A 4" gathering line will be buried from dehy to the edge of the location.
- 3. The area inside the anchors where truck traffic will occur shall be graveled as needed.

B. Off Well Pad

No off well pad pipeline will be required. Pipeline will tie into existing North Chapita 218-34.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency

standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All existing facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/ or Target Trucking Inc.'s water source in the SW/SW. Sec 35, T9S, R22E Uintah County, Utah (State Water Right # 49-1501, and/or Bonanza Power Plant water source in Sec 26, T8S, R23E Uintah County, UT (State Water Right # 49-225(A31368)). Water will be hauled by a licensed trucking company.
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
- 4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
- All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or by removed and disposed of at an

authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt and a 12 millimeter plastic liner.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the south corner of the location. The flare pit will be located downwind of the prevailing wind direction on the west side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled location topsoil will be stored between corners #6 and #8. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpiller tractor.

Access to the well pad will be from the north.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently counted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. Producing Location

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The

stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Crested Wheatgrass	6.0
Needle and Threadgrass	6.0

^{*}Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

B. Dry Hole/Abandoned Location

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriated surface rehabilitation conditions of approval.

(lbs./acre PLS*)
3.0
2.0
2.0
2.0
1.0

^{*}Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

12. OTHER INFORMATION:

- A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:
 - Whether the materials appear eligible for the National Register of Historic Places;

- The mitigation measures the operator will likely have to undertake before the site can be used.
- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.
- C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.
- D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" and "Right-of-Way grant", if applicable, will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources survey was conducted and will be submitted by Montgomery Archaeological Consultants. A Paleontology survey was conducted and will be submitted by Stephen Sandau.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT

Kaylene R. Gardner EOG Resources, Inc. P.O. Box 1815 Vernal, Ut 84078 (435) 781-9111

DRILLING OPERATIONS

Donald Presenkowski EOG Resources, Inc. P.O. Box 250 Big Piney, WY 83113 307-276-4865

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Grove 5-34GR well, located in SWSW, of Section 34, T8S, R22E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

October 3, 2006

Date

Kaylene R. Gardner, Sr. Regulatory Assistant

EOG RESOURCES, INC.

CHAPITA GROVE #5-34GR SECTION 34, T8S, R22E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 19.2 MILES ON STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 3.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY, THEN EASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 1.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE JUNCTION OF THIS AND AN EXISTING ROAD TO THE WEST; PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN WESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTH; FOLLOW ROAD FLAGS IN A SOUTHERLY DIRECTION APPROXIMATELY 50' TO THE NORTH CHAPITA #218-34 AND THE PROPOSED LOCATION.

TOTAL DISTANCE TO VERNAL IS APPROXIMATELY 36.1 MILES.

EOG RESOURCES, INC.

CHAPITA GROVE #5-34GR

LOCATED IN UINTAH COUNTY, UTAH SECTION 34, T8S, R22E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

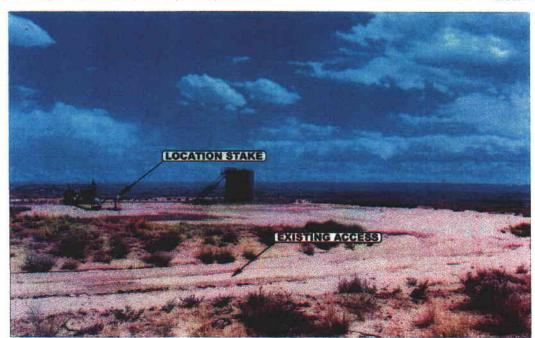


PHOTO: VIEW OF EXISTING ACCESS ROAD

CAMERA ANGLE: SOUTHEASTERLY



Uintah Engineering & Land Surveying S South 200 East Vernal, Utah 84078 435-789-1017 Vernal, Utah 84078 uels@uelsinc.com

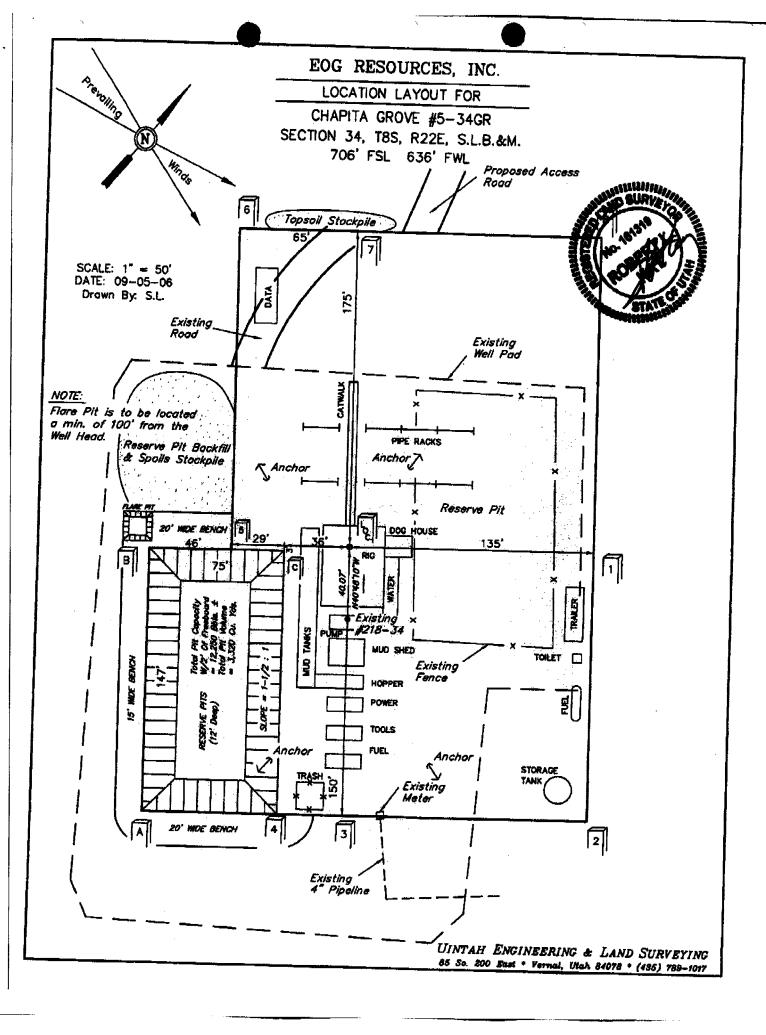
LOCATION PHOTOS

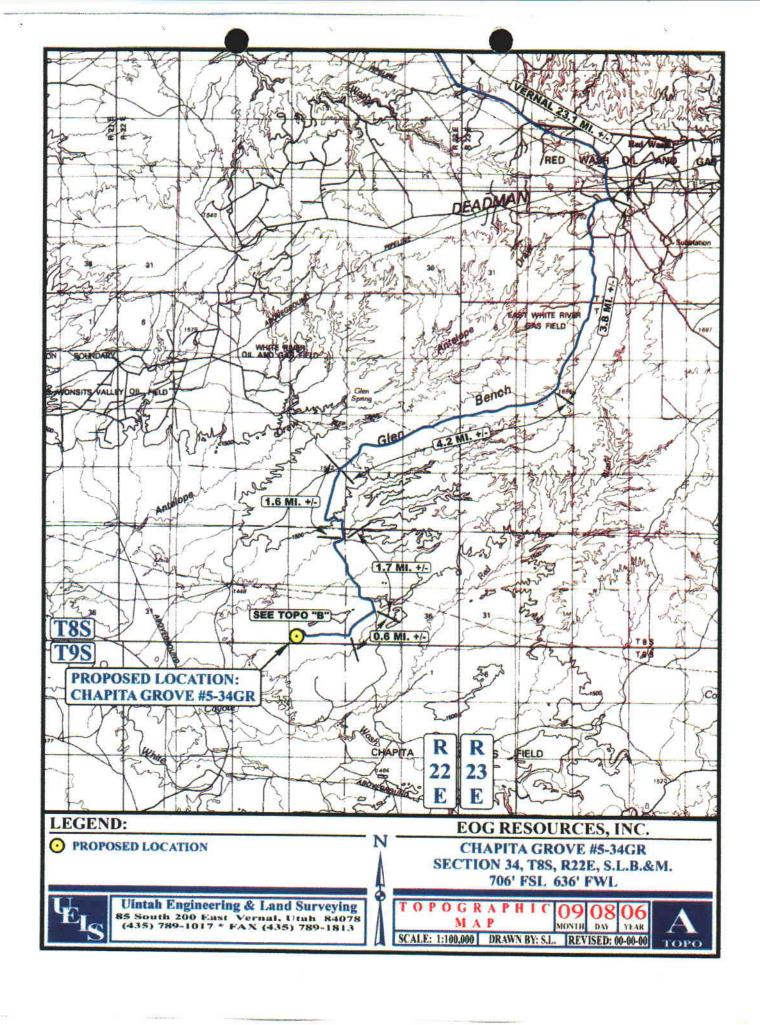
MONTH DAY YEAR

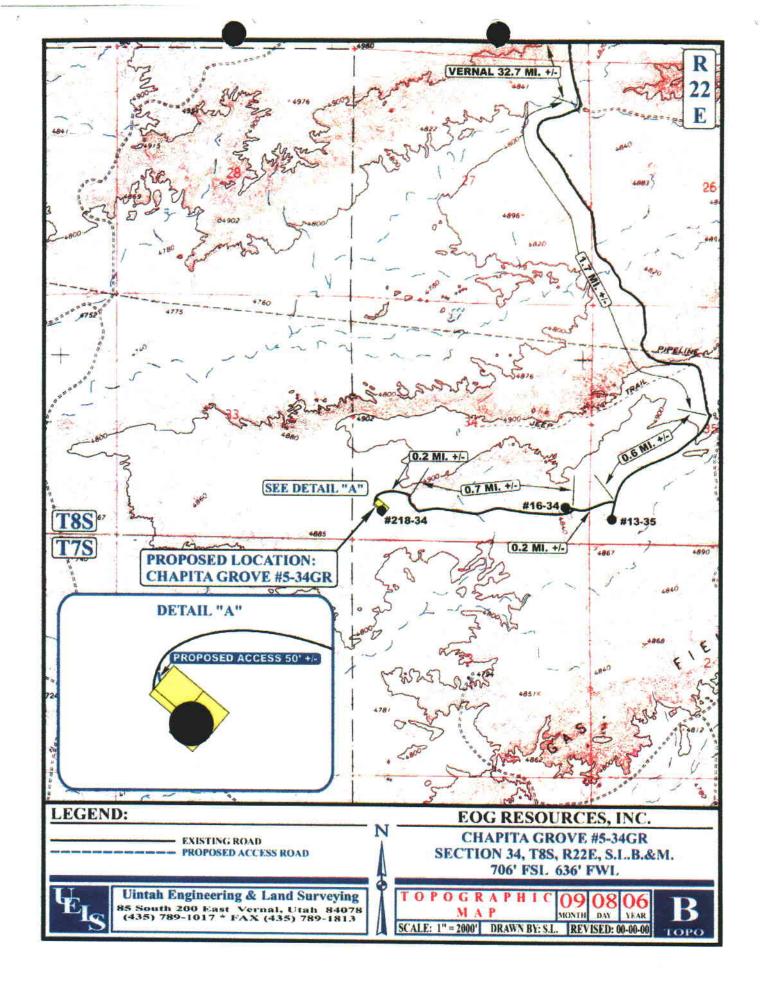
РНОТО

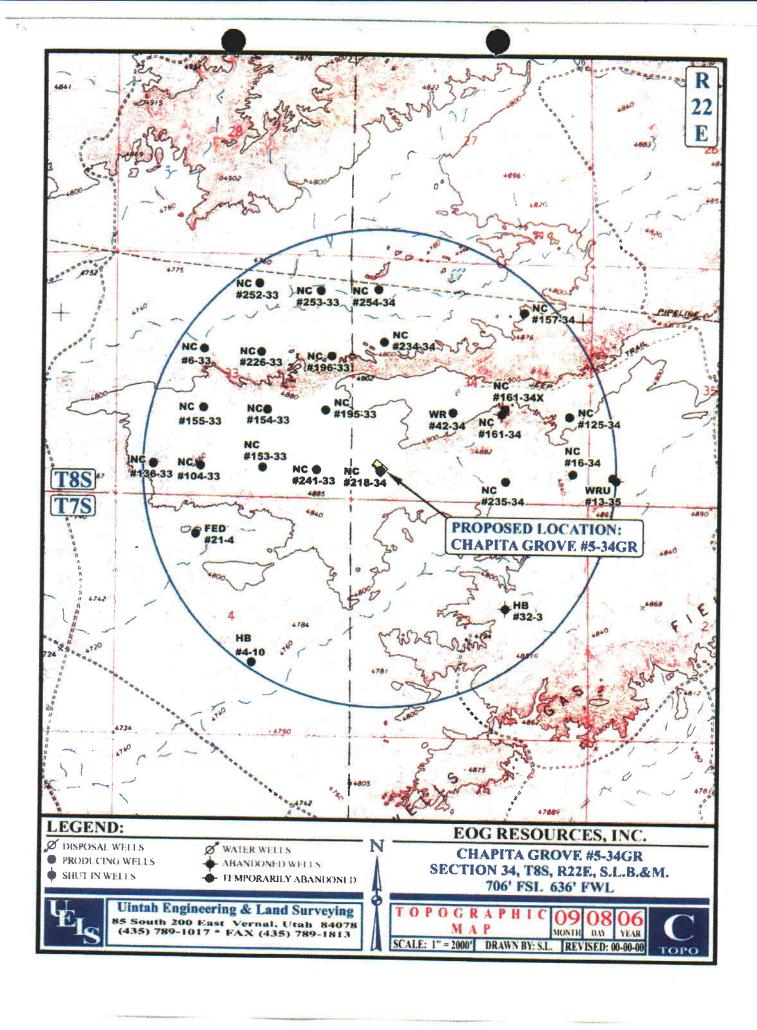
TAKEN BY: G.S DRAWN BY: SL

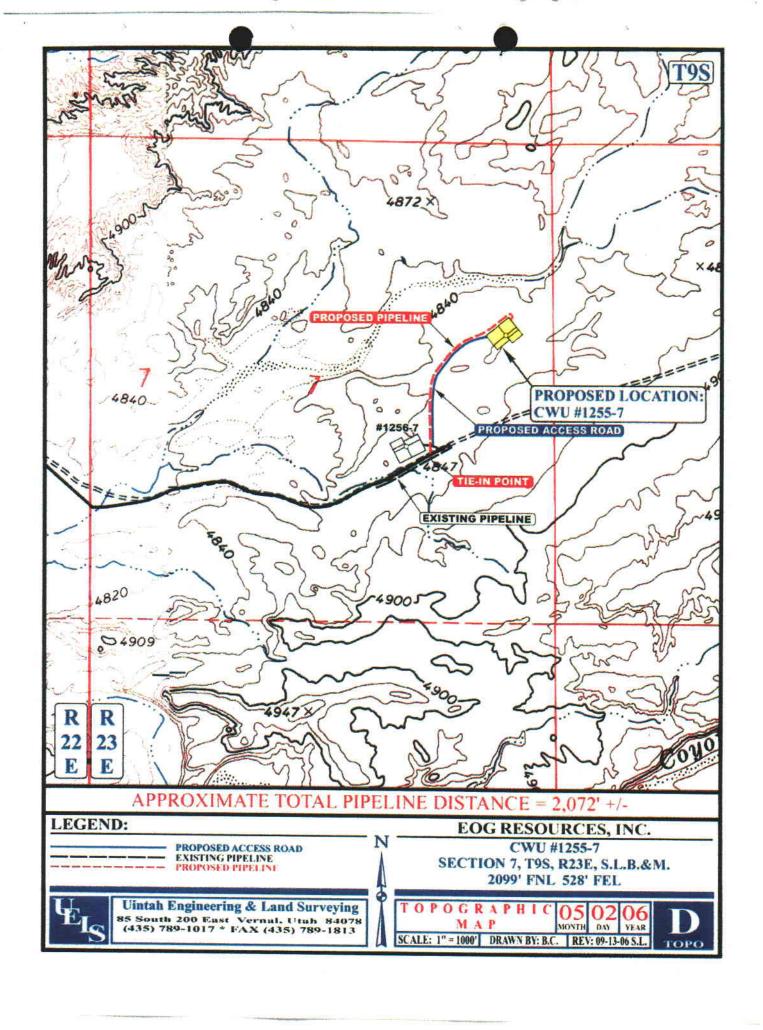
REVISED: 00-00-00



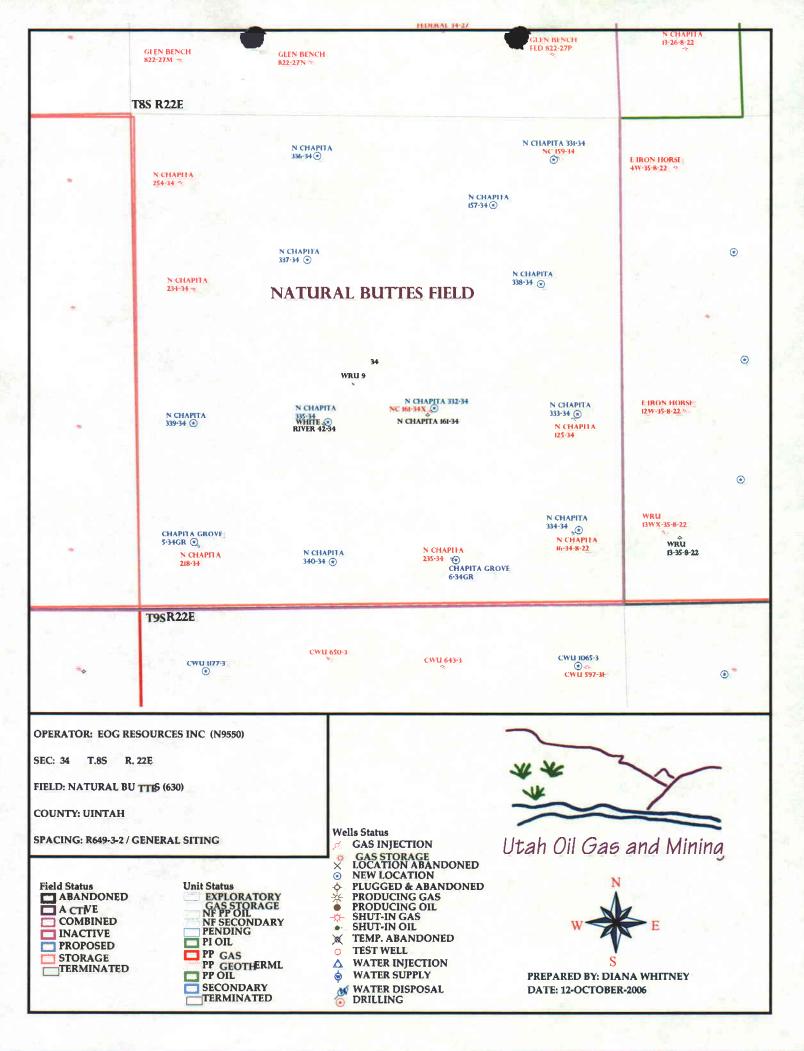








APD RECEIVED: 10/05/2006	API NO. ASSIGNED: 43-047-38694
WELL NAME: CHAPITA GROVE 5-34GR	
OPERATOR: EOG RESOURCES INC (N9550)	PHONE NUMBER: 435-781-9111
CONTACT: KAYLENE GARDNER	
CONTACT:	
PROPOSED LOCATION:	INSPECT LOCATN BY: / /
SWSW 34 080S 220E SURFACE: 0706 FSL 0636 FWL	Tech Review Initials Date
BOTTOM: 0706 FSL 0636 FWL	Engineering
COUNTY: UINTAH LATITUDE: 40.07421 LONGITUDE: -109.4327	Geology
UTM SURF EASTINGS: 633647 NORTHINGS: 44369	Surface
FIELD NAME: NATURAL BUTTES (630)
LEASE TYPE: 1 - Federal LEASE NUMBER: U-43916 SURFACE OWNER: 1 - Federal	PROPOSED FORMATION: WSTC COALBED METHANE WELL? NO
RECEIVED AND/OR REVIEWED: ✓ Plat ✓ Bond: Fed[1] Ind[] Sta[] Fee[] (No. NM 2308) Potash (Y/N) N Oil Shale 190-5 (B) or 190-3 or 190-13 ✓ Water Permit (No. 49-1501) N RDCC Review (Y/N) (Date:) N Fee Surf Agreement (Y/N) Intent to Commingle (Y/N)	LOCATION AND SITING: R649-2-3. Unit:
STIPULATIONS: 1- Led Mapping 2- Spaces Superior	





State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT Lieutenant Governor

October 12, 2006

EOG Resources Inc. 1060 East Highway 40 Vernal, UT 84078

Re:

Chapita Grove 5-34GR Well, 706' FSL, 636' FWL, SW SW, Sec. 34,

T. 8 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38694.

Sincerely,

Gil Hunt

Associate Director

Stieght

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator:	EOG Re	esources Inc.	
Well Name & Number	Chapita Grove 5-34GR		
API Number:	43-047-	38694	
Lease:	U-4391	6	
Location: SW SW	Sec. 34	T. 8 South	R. 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

		FORM AF OMB No. Expires Ma			
UNITED STATES DEPARTMENT OF THE INTERIOR OCT - 3 2006 BUREAU OF LAND MANAGEMENT					
AGEMENT DRILL OR REENTER		6. If Indian, Allotee o	r Tribe Name		
R		7 If Unit or CA Agree	ment, Name and No.		
Single Zone Multip	ole Zone				
		9. API Well No. 43,047,	38694		
3b. Phone No. (include area code) 435-781-9111		10. Field and Pool, or Exploratory NATURAL BUTTES			
y State requirements.*) 06 LAT 109.433353 LON		11. Sec., T. R. M. or Blk	and Survey or Area		
			78S, R22E S.L.B.&M		
		12. County or Parish UINTAH	13. State UT		
16. No. of acres in lease	17. Spacing	g Unit dedicated to this wo	ell		
17. Proposed Depth					
22. Approximate date work will start*		23. Estimated duration 45 DAYS			
24. Attachments					
4. Bond to cover t Item 20 above). Lands, the 5. Operator certific	the operation	ns unless covered by an e			
Name (Printed Typed) KAYLENE R. GAI	RDNER		Date 10/03/2006		
Name (Printed Typed)	VA .		Date 4-5-2007		
Office	/ERNA		ICE		
is legal or equitable title to those rigi	hts in the sub	ject lease which would er	ntitle the applicant to		
	AGEMENT DRILL OR REENTER R Single Zone Multip 3b. Phone No. (include area code) 435-781-9111 y State requirements.*) 06 LAT 109.433353 LON 16. No. of acres in lease 1360 19. Proposed Depth 5385 22. Approximate date work will state 24. Attachments re Oil and Gas Order No.1, must be a lease 1360 4. Bond to cover ltem 20 above). 5. Operator certification of the state of the such other site BLM. Name (Printed Typed) KAYLENE R. GA Name (Printed Typed) Texas Keucze. Office	AGEMENT DRILL OR REENTER R Single Zone Multiple Zone 3b. Phone No. (include area code) 435-781-9111 y State requirements.*) 06 LAT 109.433353 LON 16. No. of acres in lease 17. Spacing 1360 40 19. Proposed Depth 5385 NM 2. 22. Approximate date work will start* 24. Attachments re Oil and Gas Order No. I, must be attached to the lem 20 above). Lands, the 4. Bond to cover the operation lem 20 above). 5. Operator certification 6. Such other site specific information of the lem 20 above). Name (Printed Typed) KAYLENE R. GARDNER Name (Printed Typed) Texas Kewaya Office VERNA	OMB No. Expires Ma 5. Lease Serial No. U-43916 6. If Indian, Allotee of the Indian, Allot		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

RECEIVED APR 0 9 2007

DIV. OF OIL, GAS & MINING

06PP0587A

,005 alis/06



UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE** 170 South 500 East

VERNAL. UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:

EOG Resources

Location:

SWSW. Sec. 34, T8S, R22E

Well No:

Chapita Grove 5-34GR

Lease No:

UTU-43916

API No:

43-047-38694

Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	435-781-4490	435-828-4470
Petroleum Engineer:	Michael Lee	435-781-4432	435-828-7875
Petroleum Engineer:	James Ashley	435-781-4470	435-828-7874
Petroleum Engineer:	Ryan Angus	435-781-4430	435-828-7368
Supervisory Petroleum Technician:	Jamie Sparger	435-781-4502	435-828-3913
NRS/Enviro Scientist:	Paul Buhler	435-781-4475	435-828-4029
NRS/Enviro Scientist:	Karl Wright	435-781-4484	
NRS/Enviro Scientist:	Holly Villa	435-781-4404	
NRS/Enviro Scientist:	Melissa Hawk	435-781-4476	435-828-7381
NRS/Enviro Scientist:	Chuck MacDonald	435-781-4441	
NRS/Enviro Scientist:	Jannice Cutler	435-781-3400	
NRS/Enviro Scientist:	Michael Cutler	435-781-3401	
NRS/Enviro Scientist:	Anna Figueroa	435-781-3407	•
NRS/Enviro Scientist:	Verlyn Pindell	435-781-3402	
NRS/Enviro Scientist:	Darren Williams	435-781-4447	
NRS/Enviro Scientist:	Nathan Packer	435-781-3405	
After Hours Contact Number: 435	-781-4513	Fax: 435-781-4410	

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction. drilling, and completion operations. This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction (Notify NRS/Enviro Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify NRS/Enviro Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings
BOP & Related Equipment Tests (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to initiating pressure tests
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

General Surface COAs

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer AO. A report will be prepared by a BLM permitted paleontologist and submitted to the AO at the completion of surface disturbing activities.

Specific Surface COAs

See APD for conditions:

- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this would include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. During interim management of the surface, use the following seed mix:
 - o 9 lbs of Hycrest Crested Wheatgrass and 3 lbs of Kochia Prostrata.

Page 3 of 6 Well: Chapita Grove 5-34GR 4/4/2007

DOWNHOLE CONDITIONS OF APPROVAL

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- Production casing cement shall be brought up and into the surface.
- A variance is granted for Onshore Order #2 Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 75 feet.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment BOPE shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources such as
 Gilsonite, tar sands, oil shale, trona, etc. to the Vernal Field Office, in writing, within 5
 working days of each encounter. Each report shall include the well name/number, well
 location, date and depth from KB or GL of encounter, vertical footage of the encounter and,

Page 4 of 6 Well: Chapita Grove 5-34GR 4/4/2007

the name of the person making the report along with a telephone number should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office
 on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well
 is completed.
- A cement bond log CBL will be run from the production casing shoe to the <u>top of cement</u>
 and shall be utilized to determine the bond quality for the production casing. Submit a field
 copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welliogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" Oil and Gas Operations Report OGOR starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 303 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
 notified when it is placed in a producing status. Such notification will be by written
 communication and must be received in this office by not later than the fifth business day
 following the date on which the well is placed on production. The notification shall provide, as a
 minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location ¼¼, Sec., Twn, Rng, and P.M..
 - Date well was placed in a producing status date of first production for which royalty will be paid.
 - The nature of the well's production, i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons.
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees NTL 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events fires, accidents, blowouts, spills, discharges as specified in NTL 3A will
 be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be
 reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major
 Events" will be reported in writing within 15 days. "Minor Events" will be reported on the
 Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" BLM Form 3160-4 shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including,

Page 6 of 6 Well: Chapita Grove 5-34GR 4/4/2007

at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples cuttings, fluid, and/or gas shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field
 Office Petroleum Engineers will be provided with a date and time for the initial meter calibration
 and all future meter proving schedules. A copy of the meter calibration reports shall be
 submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API
 standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All
 measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior
 approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30
 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given
 before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" Form BLM 3160-5 must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES 5. LEASE DESIGNATION AND SERIAL NUMBER: DIVISION OF OIL, GAS AND MINING U-43916 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: SUNDRY NOTICES AND REPORTS ON WELLS 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. 8. WELL NAME and NUMBER: 1. TYPE OF WELL GAS WELL 7 OTHER OIL WELL [7] Chapita Grove 5-34GR 9. API NÜMBER: 2. NAME OF OPERATOR 43-047-38694 EOG Resources, Inc. PHONE NUMBER: 10. FIELD AND POOL, OR WILDCAT: 3. ADDRESS OF OPERATOR Natural Buttes/Mesaverde ZIP 84078 STATE UT (435) 781-9111 1060 East Highway 40 Vernal 4. LOCATION OF WELL FOOTAGES AT SURFACE: 706' FSL & 636' FWL 40.074206 LAT 109.433353 LON COUNTY: Uintah QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 34 22E S STATE: 88 **UŢAH** CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF ACTION TYPE OF SUBMISSION REPERFORATE CURRENT FORMATION DEEPEN ACIDIZE **** NOTICE OF INTENT SIDETRACK TO REPAIR WELL FRACTURE TREAT ALTER CASING (Submit in Duplicate) **NEW CONSTRUCTION** TEMPORARILY ABANDON Approximate date work will start CASING REPAIR OPERATOR CHANGE **TUBING REPAIR** CHANGE TO PREVIOUS PLANS VENT OR FLARE PLUG AND ABANDON CHANGE TUBING WATER DISPOSAL PLUG BACK SUBSEQUENT REPORT CHANGE WELL NAME (Submit Original Form Only) WATER SHUT-OFF PRODUCTION (START/RESUME) CHANGE WELL STATUS Date of work completion: OTHER: APD Extension COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE CONVERT WELL TYPE **RECOMPLETE - DIFFERENT FORMATION** DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. EOG Resources, Inc. requests the APD for the referenced well be extended for one year. Approved by the Utah Division of Oil, Gas and Mining Lead Regulatory Assistant Kaylene R. Gardner TITLE NAME (PLEASE PRINT) 9/26/2007 DATE

> RECEIVED SEP 2 7 2007

Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

Well Name: Chapita Grove 5-34GR Location: 706 FSL - 636 FWL (SWSW), Section 34, T8S, R22E S.L.B.&M Company Permit Issued to: EOG Resources, Inc. Date Original Permit Issued: 10/12/2006
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes□No□
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□ No ☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
Is bonding still in place, which covers this proposed well? Yes ☑No ☐
126/2007
Signature Date
Title: Lead Regulatory Assistant
Representing: EOG Resources, Inc.

RECEIVED SEP 2 7 2007

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANA

ITERIOR _	
GEMENT	5. Lease S

	OMB No. 1004-0137
	Expires: July 31, 2010
Lease Serial No.	

FORM APPROVED

U-43916

Do not use this		ORTS ON WELLS to drill or to re-enter a APD) for such proposa		6. If Indian, Allottee of	or Tribe Name
SUBM	IT IN TRIPLICATE – Othe	r instructions on page 2.		7. If Unit of CA/Agre	ement, Name and/or No.
1. Type of Well					
Oil Well Gas	Well Other			8. Well Name and No Chapita Grove 5-34	
2. Name of Operator EOG Resources, Inc.				9. API Well No. 43-047-38694	
3a. Address 1060 East Highway 40		3b. Phone No. (include area c	ode)	10. Field and Pool or	Exploratory Area
Vernal, UT 84078		435-781-9111		Natural Buttes	
4. Location of Well (Footage, Sec., T. 706 FSL - 636 FWL, SWSW 40.074206 Lat 10	.R.M., or Survey Description 9.433353 Lon	n)		11. Country or Parish,	
Section 34, T8S, R22E S.L.B. & M				Uintah County, Utah	1
12. CHE	CK THE APPROPRIATE BO	OX(ES) TO INDICATE NATUR	RE OF NOTIO	CE, REPORT OR OTH	ER DATA
TYPE OF SUBMISSION		T	YPE OF ACT	TION	
✓ Notice of Intent	Acidize	Deepen	Prod	luction (Start/Resume)	Water Shut-Off
	Alter Casing	Fracture Treat	Recl	lamation	Well Integrity
Subsequent Report	Casing Repair	New Construction	Reco	omplete	Other APD Extension
	Change Plans	Plug and Abandon	Tem	Temporarily Abandon	
Final Abandonment Notice	Convert to Injection	Plug Back	Wate	er Disposal	
the proposal is to deepen direction Attach the Bond under which the	nally or recomplete horizonta work will be performed or pr ved operations. If the operat Abandonment Notices must	lly, give subsurface locations and ovide the Bond No. on file with ion results in a multiple completi	d measured as BLM/BIA. I ion or recomp	nd true vertical depths o Required subsequent rep pletion in a new interval	k and approximate duration thereof. It fall pertinent markers and zones. ports must be filed within 30 days, a Form 3160-4 must be filed once a completed and the operator has
EOG Resources, Inc. requests the	APD for the referenced we	ell originally approved 4/5/200	7 be extend	ed for one year.	

RECEIVED

APR 0 8 2008

BLM RECEIVED

MAY 0 8 2008

14. I hereby certify that the foregoing is true and correct.		DIV OF OU
Name (Printed/Typed)		DIV. OF OIL, GAS & MINI
Kaylene R. Gardner	Title Lead Regulatory Assistant	
Signature	Date 04/01/2008	
THIS SPACE FOR FEDER	RAL OR STATE OFFICE USE	
Approved by	Petroleum Engineer	APR 1 5 2008
Conditions of approval, if the state attached. Approval of this notice does not warrant or ce that the applicant holds legal or equitable title to those rights in the subject lease which workentitle the applicant to conduct operations thereon.	artify	



CONDITIONS OF APPROVAL

EOG Resources, Inc.

Notice of Intent APD Extension

Lease:

UTU-43916

Well:

Chapita Grove 5-34GR

Location:

SWSW Sec 34-T8S-R22E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 4/5/09.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Ryan Angus of this office at (435) 781-4430.

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES	
DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-43916
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: Chapita Grove 5-34GR
2. NAME OF OPERATOR: EOG Resources, Inc.	9. API NUMBER: 43-047-38694
3. ADDRESS OF OPERATOR: PHONE NUMBER: (435) 789-0790	10. FIELD AND POOL, OR WILDCAT: Natural Buttes
4. LOCATION OF WELL	
FOOTAGES AT SURFACE: 706' FSL & 636' FWL 40.074206 LAT 109.433353 LON	соилту: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 34 8S 22E S.L.B. & M.	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION TYPE OF ACTION	
NOTICE OF INTENT	REPERFORATE CURRENT FORMATION
(Submit in Duplicate) ALTER CASING FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION	TEMPORARILY ABANDON
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK (Submit Original Form Only)	WATER DISPOSAL
Date of work completion: CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF
COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	OTHER: APD EXTENSION
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	REQUEST
EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for Approved by the Utah Division of Oil, Gas and Mining Date: Date: Describe PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volume Approved well be extended for Oil, Gas and Mining	
NAME (PLEASE PRINT) Mickenzie Thacker SIGNATURE MULLUM DATE Operations Clerk	(
(This space for State use only)	-
COPY SENT TO OPERATOR	
	RECEIVED
(5/2000) Date: 10, 2, 2008 Initials: 45 (See instructions on Reverse Side)	
(5/2000) Initials: 45 (See Instructions on Reverse Side)	SEP 2 5 2008

DIV. OF OIL, GAS & MINING

Application for Permit to Drill Request for Permit Extension Validation

Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38694 Well Name: Chapita Grove 5-34GR Location: 706 FSL & 636 FWL (SWSW), SECTION 34, T8S, R22E S.L.B.&M Company Permit Issued to: EOG RESOURCES, INC. Date Original Permit Issued: 10/12/2006	
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.	
Following is a checklist of some items related to the application, which should be verified.	
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes□No□	
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes⊟ No☑	
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑	
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No☑	
Has the approved source of water for drilling changed? Yes□No☑	
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑	
ls bonding still in place, which covers this proposed well? Yes ☑No□	
Wickling TW((UT.)	
Signature Date	
Title: Operations Clerk	
Representing: EOG Resources, Inc.	

RECEIVED SEP 2 5 2008

DIV. OF OIL, GAS & MINING

United States Department of the Interior



BUREAU OF LAND MANAGEMENT Green River District-Vernal Field Office 170 South 500 East Vernal, UT 84078 (435) 781-4400 Fax: (435) 781-4410 http://www.blm.gov/ut/st/en/fo/vernal.html

IN REPLY REFER TO: 3160 UTG011

July 8, 2009

Re:

Kaylene R. Gardner EOG Resources, Inc. 1060 East Highway 40 Vernal, UT 84078

43 047 38694

Notice of Expiration Well No. Chapita Grove 5-34GR SWSW, Sec. 34, T8S, R22E Uintah County, Utah Lease No. UTU-43916

Dear Ms. Gardner:

The Application for Permit to Drill (APD) for the above-referenced well was approved on April 5, 2007. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until April 5, 2009. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

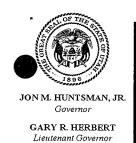
Cindy Severson

Cindy Severson Land Law Examiner

cc: UDOGM

RECEIVED
JUL 1 3 2009

DIV. OF OIL, GAS & MINING





MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

October 1, 2009

Kaylene Gardner EOG Resources Inc. 1060 East Highway 40 Vernal, Utah 84078 43 047 38694 Chapita Grove 5-3AGR 85 22E 34

Re:

APD Rescinded at the request of EOG Resources Inc. Uintah County

Dear Ms. Gardner:

Enclosed find the list of APDs that you requested to be rescinded to EOG Resources Inc. No drilling activities at these locations have been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective September 24, 2009.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely

Diana Masor

Environmental Scientist

cc: Well File

Bureau of Land Management, Vernal



CWU 1211-12 43-047-38541

Natural Cotton 62-25 43-047-38667

Chapita Grove 5-34GR 43-047-38694

Chapita Grove 6-34GR 43-047-38693